

IC 4-35-7

Chapter 7. Conduct of Gambling Games at Racetracks

IC 4-35-7-1

Gambling games authorized at racetracks

Sec. 1. Gambling games authorized under this article may not be conducted anywhere other than a slot machine facility located at a racetrack.

As added by P.L.233-2007, SEC.21.

IC 4-35-7-2

Age restrictions

Sec. 2. (a) A person who is less than twenty-one (21) years of age may not wager on a slot machine.

(b) Except as provided in subsection (c), a person who is less than twenty-one (21) years of age may not be present in the area of a racetrack where gambling games are conducted.

(c) A person who is at least eighteen (18) years of age and who is an employee of the racetrack may be present in the area of the racetrack where gambling games are conducted. However, an employee who is less than twenty-one (21) years of age may not perform any function involving gambling by the patrons of the licensee's slot machine facility.

As added by P.L.233-2007, SEC.21.

IC 4-35-7-3

Minimum and maximum wagers

Sec. 3. Minimum and maximum wagers on gambling games shall be determined by the licensee.

As added by P.L.233-2007, SEC.21.

IC 4-35-7-4

Inspections

Sec. 4. The following may inspect a licensee's slot machine facility at any time to determine if this article is being violated:

(1) Employees of the commission.

(2) Officers of the state police department.

As added by P.L.233-2007, SEC.21.

IC 4-35-7-5

Presence of commission employees

Sec. 5. Employees of the commission have the right to be present in a licensee's slot machine facility.

As added by P.L.233-2007, SEC.21.

IC 4-35-7-6

Purchase or lease of slot machines

Sec. 6. A slot machine may be purchased or leased only from a supplier licensed under this article.

As added by P.L.233-2007, SEC.21.

IC 4-35-7-7

Permitted forms of wagering

Sec. 7. Except as provided in section 14 of this chapter, slot machine wagering is the only form of wagering permitted in a licensee's slot machine facility.

As added by P.L.233-2007, SEC.21.

IC 4-35-7-8

Presence required for wagering

Sec. 8. Wagers may be received only from a person present in a licensee's slot machine facility. A person present in a licensee's slot machine facility may not place or attempt to place a wager on behalf of a person who is not present in the licensee's slot machine facility.

As added by P.L.233-2007, SEC.21.

IC 4-35-7-9

Permitted means of wagering

Sec. 9. (a) A patron may make a slot machine wager at a racetrack only by means of:

- (1) a token or an electronic card purchased from a licensee at the licensee's racetrack; or
- (2) money or other negotiable currency.

(b) A token or an electronic card may be purchased by means of an agreement under which a licensee extends credit to the patron.

(c) All winnings and payoffs from a slot machine at a racetrack:

- (1) shall be made in tokens, electronic cards, paper tickets, or other evidence of winnings and payoffs approved by the commission; and
- (2) may not be made in money or other negotiable currency.

As added by P.L.233-2007, SEC.21.

IC 4-35-7-10

Use of tokens and electronic cards

Sec. 10. A token or an electronic card described in section 9 of this chapter may be used by a patron while the patron is present at the racetrack only to make a wager on a slot machine authorized under this article.

As added by P.L.233-2007, SEC.21.

IC 4-35-7-11

Commission approval required to exceed 2,000 slot machines

Sec. 11. A licensee may not install more than two thousand (2,000) slot machines on the premises of the licensee's racetrack without the approval of the commission.

As added by P.L.233-2007, SEC.21.

IC 4-35-7-12

Part of adjusted gross receipts that must be devoted to purses, horsemen's associations, and the gaming integrity fund

Sec. 12. (a) The Indiana horse racing commission shall enforce

the requirements of this section.

(b) Except as provided in subsections (j) and (k), a licensee shall before the fifteenth day of each month devote to the gaming integrity fund, horse racing purses, and to horsemen's associations an amount equal to fifteen percent (15%) of the adjusted gross receipts of the slot machine wagering from the previous month at the licensee's racetrack. The Indiana horse racing commission may not use any of this money for any administrative purpose or other purpose of the Indiana horse racing commission, and the entire amount of the money shall be distributed as provided in this section. A licensee shall pay the first two hundred fifty thousand dollars (\$250,000) distributed under this section in a state fiscal year to the commission for deposit in the gaming integrity fund established by IC 4-35-8.7-3. After this money has been distributed to the commission, a licensee shall distribute the remaining money devoted to horse racing purses and to horsemen's associations under this subsection as follows:

(1) Five-tenths percent (0.5%) shall be transferred to horsemen's associations for equine promotion or welfare according to the ratios specified in subsection (e).

(2) Two and five-tenths percent (2.5%) shall be transferred to horsemen's associations for backside benevolence according to the ratios specified in subsection (e).

(3) Ninety-seven percent (97%) shall be distributed to promote horses and horse racing as provided in subsection (d).

(c) A horsemen's association shall expend the amounts distributed to the horsemen's association under subsection (b)(1) through (b)(2) for a purpose promoting the equine industry or equine welfare or for a benevolent purpose that the horsemen's association determines is in the best interests of horse racing in Indiana for the breed represented by the horsemen's association. Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(d) A licensee shall distribute the amounts described in subsection (b)(3) as follows:

(1) Forty-six percent (46%) for thoroughbred purposes as follows:

(A) Sixty percent (60%) for the following purposes:

(i) Ninety-seven percent (97%) for thoroughbred purses.

(ii) Two and four-tenths percent (2.4%) to the horsemen's association representing thoroughbred owners and trainers.

(iii) Six-tenths percent (0.6%) to the horsemen's association representing thoroughbred owners and breeders.

(B) Forty percent (40%) to the breed development fund established for thoroughbreds under IC 4-31-11-10.

(2) Forty-six percent (46%) for standardbred purposes as follows:

(A) Fifty percent (50%) for the following purposes:

(i) Ninety-six and five-tenths percent (96.5%) for standardbred purses.

- (ii) Three and five-tenths percent (3.5%) to the horsemen's association representing standardbred owners and trainers.
- (B) Fifty percent (50%) to the breed development fund established for standardbreds under IC 4-31-11-10.
- (3) Eight percent (8%) for quarter horse purposes as follows:
 - (A) Seventy percent (70%) for the following purposes:
 - (i) Ninety-five percent (95%) for quarter horse purses.
 - (ii) Five percent (5%) to the horsemen's association representing quarter horse owners and trainers.
 - (B) Thirty percent (30%) to the breed development fund established for quarter horses under IC 4-31-11-10.

Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(e) Money distributed under subsection (b)(1) and (b)(2) shall be allocated as follows:

- (1) Forty-six percent (46%) to the horsemen's association representing thoroughbred owners and trainers.
- (2) Forty-six percent (46%) to the horsemen's association representing standardbred owners and trainers.
- (3) Eight percent (8%) to the horsemen's association representing quarter horse owners and trainers.

(f) Money distributed under this section may not be expended unless the expenditure is for a purpose authorized in this section and is either for a purpose promoting the equine industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in Indiana or the necessary expenditures for the operations of the horsemen's association required to implement and fulfill the purposes of this section. The Indiana horse racing commission may review any expenditure of money distributed under this section to ensure that the requirements of this section are satisfied. The Indiana horse racing commission shall adopt rules concerning the review and oversight of money distributed under this section and shall adopt rules concerning the enforcement of this section. The following apply to a horsemen's association receiving a distribution of money under this section:

- (1) The horsemen's association must annually file a report with the Indiana horse racing commission concerning the use of the money by the horsemen's association. The report must include information as required by the commission.
- (2) The horsemen's association must register with the Indiana horse racing commission.

(g) The commission shall provide the Indiana horse racing commission with the information necessary to enforce this section.

(h) The Indiana horse racing commission shall investigate any complaint that a licensee has failed to comply with the horse racing purse requirements set forth in this section. If, after notice and a hearing, the Indiana horse racing commission finds that a licensee has failed to comply with the purse requirements set forth in this section, the Indiana horse racing commission may:

- (1) issue a warning to the licensee;

- (2) impose a civil penalty that may not exceed one million dollars (\$1,000,000); or
- (3) suspend a meeting permit issued under IC 4-31-5 to conduct a pari-mutuel wagering horse racing meeting in Indiana.
- (i) A civil penalty collected under this section must be deposited in the state general fund.
- (j) For a state fiscal year beginning after June 30, 2008, and ending before July 1, 2009, the amount of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal to the lesser of:
 - (1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or
 - (2) eighty-five million dollars (\$85,000,000).

If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount specified in subdivision (2), the licensee shall transfer the amount of the excess to the commission for deposit in the property tax reduction trust fund established by IC 4-35-8-2. The licensee shall adjust the transfers required under this section in the final month of the state fiscal year to comply with the requirements of this subsection.

- (k) For a state fiscal year beginning after June 30, 2009, the amount of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal to the lesser of:

- (1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or
- (2) the amount dedicated to the purposes described in subsection (b) in the previous state fiscal year increased by a percentage that does not exceed the percent of increase in the United States Department of Labor Consumer Price Index during the year preceding the year in which an increase is established.

If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount specified in subdivision (2), the licensee shall transfer the amount of the excess to the commission for deposit in the property tax reduction trust fund established by IC 4-35-8-2. The licensee shall adjust the transfers required under this section in the final month of the state fiscal year to comply with the requirements of this subsection.

As added by P.L.233-2007, SEC.21.

IC 4-35-7-13

Restrictions on money distributed to horsemen's associations

Sec. 13. (a) The definitions in IC 3-5-2 apply to this section to the extent they do not conflict with the definitions in this article.

- (b) As used in this section, "candidate" refers to any of the following:

- (1) A candidate for a state office.
- (2) A candidate for a legislative office.
- (3) A candidate for a local office.

- (c) As used in this section, "committee" refers to any of the

following:

- (1) A candidate's committee.
- (2) A regular party committee.
- (3) A committee organized by a legislative caucus of the house of the general assembly.
- (4) A committee organized by a legislative caucus of the senate of the general assembly.

(d) Money distributed under section 12 of this chapter may not be used for any of the following purposes:

- (1) To make a contribution to a candidate or a committee.
- (2) For lobbying (as defined in IC 2-7-1-9).

As added by P.L.233-2007, SEC.21.

IC 4-35-7-14

Pari-mutuel wagering on horse racing permitted in slot machine facilities

Sec. 14. The commission may not prohibit a licensee from allowing pari-mutuel wagering (as defined in IC 4-31-2-12) at the facility at which gambling games are conducted under this article.

As added by P.L.233-2007, SEC.21.